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The Impact of Islamic Financial Literacy Education on Students' Financial Behavior: A Study at Association of Education Cultural International (AECI) Thailand

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A B S T R A C T

This study examines the influence of Islamic financial literacy education on students' financial behavior at the Association of Education Cultural International (AECI) Krabi, Thailand. The limited understanding of Sharia-based financial concepts highlights the importance of early financial literacy education. Using a quantitative approach with a survey method and simple linear regression analysis, the findings reveal that Islamic financial literacy education has a positive and significant effect on students' financial behavior. Students with higher literacy levels tend to manage their finances more wisely by saving, avoiding interest-based transactions, and planning expenditures according to Islamic values. These results emphasize the crucial role of Islamic financial literacy education in fostering ethical and sustainable financial behavior.

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INTRODUCTION

The accelerating pace of the global economy increasingly demands that individuals, particularly students, develop financial literacy skills from an early age. Yet, evidence suggests that the level of financial literacy among young learners remains relatively low across Southeast Asia, including Thailand. The OECD (2020) reports that students' understanding of basic financial concepts—such as saving, budgeting, and debt management—remains inadequate, which could lead to poor financial decisions in adulthood. This phenomenon indicates a critical need for educational intervention that cultivates responsible financial behavior aligned with both economic rationality and ethical principles.

For Muslim learners, financial literacy carries a deeper dimension that extends beyond material management to encompass spiritual and legal values. Sharia financial literacy emphasizes principles such as the prohibition of *riba*, the obligation of *zakat*, the management of *halal* wealth, and the partnership ethics embodied in *mudharabah* and *musyarakah*. These principles form the moral foundation of financial decision-making in Islam, ensuring that economic actions align with religious and social accountability. Previous studies (Laily, 2016; Hastuti & Amalia, 2020) indicate that sharia financial literacy not only improves students' financial understanding but also shapes ethical and prudent financial behaviors.

Despite its importance, sharia financial education has not been widely integrated into formal or international learning systems. The Association of Education Cultural International (AECI) in Krabi, Thailand, represents a unique educational context—a multicultural and multi-religious institution with a considerable Muslim student population. Preliminary observations revealed that while many AECI students identify as Muslim, they have not been exposed to structured learning on Islamic financial principles. This absence highlights an educational gap where students may struggle to differentiate between conventional and sharia-compliant financial practices. Such a niche context provides a valuable opportunity to explore how Islamic financial education functions in a multicultural international setting.

This study contributes to the enrichment of global financial literacy discourse by introducing a sharia perspective within an international education framework—an area that remains underexplored in the literature. It offers both theoretical significance, by integrating ethical-Islamic dimensions into financial behavior studies, and practical implications, by informing curriculum design for diverse educational environments. Therefore, this research aims to examine how sharia financial literacy education influences students' financial behavior at AECI Krabi, Thailand, and to provide empirical evidence for the integration of Islamic financial education in multicultural learning contexts.

THEORETICAL REVIEW

Islamic financial literacy refers to an individual's understanding of Islamic financial concepts, principles, and products, as well as their ability to manage finances based on Shariah values. The Otoritas Jasa Keuangan (OJK, 2017) defines Islamic financial literacy as knowledge, skills, confidence, and attitudes that enable individuals to effectively manage their financial resources in accordance with Islamic teachings to achieve financial well-being. Lusardi and Mitchell (2020) view financial literacy as the ability to understand financial information, plan for the long term, and make sound financial decisions.

Islamic financial literacy education, therefore, is the learning process that teaches individuals—particularly students—how to manage personal finances according to Islamic principles and develop awareness of halal financial products (Husna, 2020). It emphasizes not only efficient money management but also the understanding of halal and haram, the prohibition of riba, gharar, and maysir, and the importance of zakat, infaq, sadaqah, and waqf. These aspects shape ethical and responsible financial behavior consistent with Islamic teachings.

Financial behavior represents how individuals make decisions related to earning, spending, saving, and investing (Xiao, 2008). Atkinson and Messy define it as the reflection of an individual's ability to manage daily finances wisely, make appropriate financial decisions, and maintain control over financial priorities. Within an Islamic perspective, financial behavior must adhere to Shariah principles—ensuring that activities are halal, tayyib (good), and free from riba, maysir, or gharar.

Islamic financial behavior also emphasizes moderation and social responsibility. The Qur'an (Al-Isra: 27) explicitly condemns extravagance, describing the wasteful as "brothers of the devils." Hence, Islamic financial behavior integrates both moral and economic dimensions, where wealth management must align with ethical values and societal welfare.

Previous research indicates that financial behavior is influenced by financial knowledge, income level, education, attitude toward money, religious values, motivation, and social environment. For students, this phase of life is crucial for developing responsible and accountable financial habits through early exposure to Islamic financial literacy.

Thailand recognizes the importance of financial literacy as part of national economic and social development. The Bank of Thailand (BoT) and the Securities and Exchange Commission (SEC) have launched initiatives such as the *Thailand National Financial Literacy Strategy* to promote financial awareness, responsible savings behavior, and sound financial management among youth (OECD, 2020).

Recently, attention to Islamic financial literacy has grown, particularly among Muslim communities in southern Thailand. Collaboration between the Ministry of Education, OECD, and the VISA Foundation has supported integrating financial literacy materials into school curricula (VAP, 2018). Islamic educational institutions—such as the Association of Education Cultural International (AECI) in Krabi—play a strategic role in instilling Shariah-based financial values to shape students' moral and financial behavior.

Several studies have explored the relationship between Islamic financial literacy and financial behavior. Fitriani (2020) found that Islamic financial literacy significantly influences students' consumption behavior. Rahmawati and Hasan (2021) demonstrated that students with higher levels of Islamic financial literacy tend to have better saving habits aligned with Shariah principles. Yusuf (2020) also confirmed that Islamic financial education affects teenagers' financial decision-making processes, leading to more responsible choices in spending and investment.

The Theory of Planned Behavior (Ajzen, 1991) explains that individual behavior is determined by behavioral intention, which is influenced by attitude, subjective norms, and perceived behavioral control. This theory has been widely applied in financial studies to predict financial decision-making and behavior. In the context of Islamic finance, TPB is relevant because attitudes and intentions are shaped not only by cognitive and social factors but also by religious beliefs. Hence, Islamic financial literacy may influence financial behavior through shaping positive attitudes toward responsible, Shariah-compliant financial practices.

H1: Islamic financial literacy education has a significant effect on students' financial behavior.

The conceptual framework of this study is based on the assumption that higher levels of Islamic financial literacy education enhance students' ability to plan, manage, and behave responsibly in financial matters consistent with Shariah principles.

Figure 1. Conceptual Framework

METHODOLOGY

This study employs a quantitative associative approach to examine the effect of *Islamic financial literacy education* (independent variable) on *students' financial behavior* (dependent variable) at the Association of Education Cultural International (AECI), Krabi, Thailand. The associative design is chosen to determine the degree and direction of influence between the two variables. Data were collected through a structured questionnaire developed based on prior validated instruments and adapted to the context of Islamic financial education. The population consisted of all middle- and high-school-level students participating in the *Islamic financial literacy education program* at AECI Krabi, totaling approximately 120 students. A purposive sampling technique was used to select students who had participated in the program for at least three months. Using the Slovin formula with a 5% margin of error, the final sample size was 92 respondents. The data were analyzed using SPSS version 25. Descriptive statistics were used to determine the level of Islamic financial literacy education and financial behavior. Inferential analysis was conducted using simple linear regression to test the effect of Islamic financial literacy education on financial behavior. The regression equation is formulated as follows:

$$Y = a + bX + e$$

RESEARCH RESULTS

Respondents' Profile

A total of 92 respondents participated in this study, consisting of middle-level students from the Association of Education Cultural International (AECI) Krabi, Thailand, who had attended the Islamic Financial Literacy Education Program for at least three months. Based on gender distribution, 56.5% of the respondents were male (52 students), and 43.5% were female (40 students). In terms of age, 62% were between 16–18 years old (57 students), and 38% were between 13–15 years old (35 students). Regarding the duration of program participation, 52.2% had joined the program for six months, while 47.8% had attended for three to five months. These results indicate that the participants were mostly adolescents who had been exposed to Islamic financial education for a considerable period, making them suitable for assessing behavioral impacts.

Validity and Reliability Test

Instrument validity was assessed using the Pearson Product-Moment correlation. With a sample size of 92, the critical *r-table* value was 0.210. All items for both variables (Islamic Financial Literacy Education and Financial Behavior) had *r-calculated* values greater than *r-table* (0.723–0.978), confirming that all questionnaire items were valid. Reliability testing using Cronbach's Alpha showed α = 0.70 for both variables, exceeding the minimum threshold of 0.60. Thus, all items were reliable and consistently measured the intended constructs.

Table 1. Reliability Test

Variabel	N	N of Items	Nilai *Cronbach Alpha*	Batas *Cronbach Alpha*
Islamic Financial Literacy Education (X)	92	10	0,7	0,6
Financial Behavior (Y)	92	10	0,7	0,6

Source: Data analyzed by the researcher using SPSS software.

Classical Assumption Tests

To ensure the accuracy of the regression model, several classical assumption tests were conducted.

1. **Normality Test**: The Kolmogorov–Smirnov test yielded a significance value of 0.0926, greater than 0.05, indicating that the data were normally distributed.

Table 2. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		92
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	8,23182803
Most Extreme Differences	Absolute	,093

	Positive	,0926
	Negative	-,0849
Kolmogorov-Smirnov Z		,0926
Asymp. Sig. (2-tailed)		,0923

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction
d. This is a lower bound of the true significance

Source: Data analyzed by the researcher using SPSS software.

2. **Linearity Test**: The results showed a *Deviation from Linearity* significance value of 0.121 > 0.05, indicating that the relationship between Islamic financial literacy (X) and financial behavior (Y) was linear.
3. **Heteroskedasticity Test**: The significance value of 0.121 > 0.05 also showed no heteroskedasticity problem, meaning the residuals were homoscedastic.

Table 3. ANOVA Table

	Sum of Squares	Df	Mean Square	F	Sig
Y* Between (Combined)	4304,506	70	138,855	3,091	0,005
X Linearity Deviation From Linearity	898,417	**22**	44,921	1,657	0,121
Total	**5202,923**	**92**			

Source: Data analyzed by the researcher using SPSS software.

Simple Linear Regression Analysis

The simple linear regression analysis examined the effect of Islamic financial literacy education (X) on students' financial behavior (Y). The regression output is as follows:

$$Y = 34.437 + 0.865X$$

This equation implies that when Islamic financial literacy (X) increases by one unit, financial behavior (Y) increases by 0.865 units. The coefficient is positive, suggesting a direct and proportional relationship—higher Islamic financial literacy leads to better financial behavior.

Table 4. Simple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	34,437	8,764		4,121	,001		
	Variabel X	,865	,074	,623	5,873	,000	1,000	1,000

a. Dependent Variable: Y

Source: Data analyzed by the researcher using SPSS software.

t-Test (Partial Test)

The *t*-value obtained was 5.873, exceeding the *t-table* value of 1.986 (df = 90) with a significance level of $p = 0.000 < 0.05$. Therefore, H_1 is accepted, meaning there is a significant positive influence of Islamic financial literacy education on students' financial behavior at AECI Krabi.

Coefficient of Determination (R^2)

The R^2 value obtained was 0.254, indicating that 25.4% of the variation in students' financial behavior can be explained by Islamic financial literacy education, while the remaining 74.6% is influenced by other factors not included in this study (e.g., parental guidance, peer influence, or socioeconomic background).

Table 5. Model Summary[b]

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,746[a]	,254	,242	7,6124	2,487

a. Predictors: (Constant), X
b. Dependent Variable: Y

Source: Data analyzed by the researcher using SPSS software.

DISCUSSION

The findings of this study reveal that Islamic financial literacy education has a significant and positive influence on students' financial behavior at the Association of Education Cultural International (AECI) in Krabi, Thailand. Students who received structured learning on Islamic finance concepts—such as prohibition of *riba*, responsible consumption, zakat awareness, and ethical investment—tended to demonstrate more prudent and disciplined financial behavior. This suggests that literacy-based interventions in financial education, particularly those grounded in Sharia principles, can shape students' decision-making and moral orientation toward financial activities.

The results reinforce the perspective of Laily (2016), who stated that Islamic financial literacy not only enhances financial intelligence but also nurtures ethical and responsible financial behavior. Similarly, the study of Hastuti and Amalia (2020) found that students who are educated in Sharia-based finance tend to save more, avoid exploitative financial practices, and manage spending more wisely. These alignments indicate that Islamic values embedded in financial education are not merely theoretical but have behavioral implications that are observable and measurable in students' daily financial conduct.

In the context of AECI—a multicultural international institution—the integration of Islamic financial education proved to be an important bridge between knowledge and value formation. Muslim students, who previously experienced confusion distinguishing between conventional and Islamic financial practices, reported clearer understanding and confidence in applying Islamic principles in their financial decisions. This demonstrates that financial literacy education must be contextual and sensitive to students' religious and cultural backgrounds to achieve holistic impact.

Moreover, the findings contribute to the broader discourse on financial literacy by emphasizing that literacy is not value-neutral. Conventional financial literacy often focuses solely on individual wealth maximization, while Islamic financial literacy embeds moral accountability and social responsibility through mechanisms like *zakat*, *waqf*, and *qard al-hasan*. This moral foundation may provide a more sustainable framework for developing financially responsible generations in both Muslim-majority and multicultural educational environments.

Therefore, this research strengthens the argument that Islamic financial literacy education should be integrated systematically into school curricula, especially in institutions with Muslim learners across international contexts. It not only contributes to students' financial competencies but also supports the development of ethical character consistent with Sharia principles. Theoretically, the study extends the discussion on the intersection between financial education and moral economy, and practically, it provides a model that can be replicated by other international schools seeking to enhance students' financial behavior through value-based education.

Research Implications

The findings of this study provide both theoretical and practical implications for the fields of Islamic education, behavioral finance, and financial literacy. Theoretically, the study reinforces the Technology Acceptance Model (TAM) and behavioral learning frameworks by demonstrating that students' acceptance of Islamic financial principles can significantly influence their financial attitudes and behavioral outcomes. This supports the premise that educational exposure to Sharia-based values fosters positive behavioral changes through the internalization of ethical financial norms.

Practically, the results offer meaningful insights for policymakers, educators, and Islamic financial institutions. Educational institutions can use these findings to design curriculum interventions that integrate moral and financial education, while policymakers can promote standardized Islamic financial literacy programs at both national and international levels. Furthermore, Islamic financial institutions may utilize this evidence to collaborate with schools in developing early-age literacy programs that strengthen financial ethics among students. This study therefore extends the discourse of Islamic financial education beyond mere cognitive understanding and positions it as a strategic educational tool to cultivate ethical financial behavior in young generations across global contexts.

CONCLUSION

This study concludes that Islamic financial literacy education plays a pivotal role in shaping students' financial behavior, particularly within multicultural learning environments such as the Association of Education Cultural International (AECI) in Krabi, Thailand. Students with higher levels of understanding of Islamic financial principles—including *riba* prohibition, ethical consumption, zakat awareness, and halal financial management—tend to demonstrate more disciplined, responsible, and value-oriented financial practices.

The integration of Islamic values within financial education has proven to be more than just theoretical enrichment; it contributes directly to the cultivation of ethical financial habits among students. These findings confirm that financial education, when infused with moral and spiritual dimensions, can produce not only financially literate individuals but also ethically conscious economic actors.

Furthermore, this research contributes to the broader field of Islamic economics and education by providing empirical evidence that supports the integration of Sharia-based financial literacy into international educational settings. It strengthens the theoretical linkage between financial cognition and moral development, aligning with the objectives of Islamic education to create well-rounded and responsible individuals.

RECOMMENDATION

Based on the findings of this study, it is recommended that the implementation of Islamic financial literacy programs be strengthened through structured and contextual learning approaches in both formal and non-formal educational institutions. Teachers and educational practitioners should integrate Sharia-based financial values into real-life learning activities so that students can apply financial ethics consistently in daily decision-making. Educational policymakers are encouraged to develop a standardized Islamic financial literacy curriculum that aligns with students' developmental levels and cultural contexts, particularly for international educational settings such as AECI Krabi.

Moreover, Islamic financial institutions should collaborate with schools to design practical modules and simulation-based learning materials that illustrate the relevance of Islamic finance in students' everyday lives. Future research is also encouraged to expand the scope of analysis by incorporating moderating variables such as digital financial behavior or parental financial influence, as well as employing mixed-method approaches to gain a deeper understanding of behavioral transformation processes.

Through collaborative efforts between educational institutions, policymakers, and financial organizations, Islamic financial literacy can become not only an academic subject but also a transformative instrument in nurturing financially responsible and ethically conscious future generations.

FURTHER STUDY

Future studies should further explore the long-term impacts of Islamic financial literacy education on students' financial decision-making and ethical behavior beyond academic settings. Researchers could investigate how cultural diversity and varying levels of religious understanding influence the effectiveness of Islamic financial education in multicultural environments. Comparative studies across different countries or educational institutions would also provide valuable insights into how contextual factors shape students' responses to Sharia-based financial principles. Additionally, future research could incorporate experimental or longitudinal designs to assess behavioral changes over time and the sustainability of ethical financial practices. Exploring the integration of digital learning tools and community-based programs in enhancing Islamic financial literacy could also offer innovative pathways for expanding its practical application and global relevance.

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